

**GOVERNING BOARD MEETING
OREGON DEPARTMENT OF GEOLOGY & MINERAL INDUSTRIES**

Friday, December 12, 2008
Portland, Oregon

1) Call to Order:

Chair Donald Haagensen called the meeting to order at 8:30 am.

2) Introductions:

Board Chair Donald Haagensen, Vice Chair Steve Macnab, Board Members Larry Givens, and Charles Vars were present.

DOGAMI Staff in attendance:

State Geologist Vicki McConnell
Assistant Director Don Lewis
Assistant Director Gary Lynch
Carol DuVernois
James Roddey

Dawn Farr, Budget Analyst from the Legislative Fiscal office and Larry Tuttle, citizen, were in the audience.

3) Approval of Governing Board Minutes of May 23 & July 22, 2008

Meetings: (Board)

Macnab asked for spelling corrections on lines 9, 55, 65, and 268.
Haagensen asked that corrections be made on lines 104, 119, and 132.
McConnell noted that the action items at the end of the minutes would all be addressed during the meeting, but said that the Board should feel free to ask about them at any time.

Motion: Vars moved to approve the minutes as corrected. Seconded by Givens. Motion carried.

4) Board Business: (Governing Board)

a. Recruitment for open Board position: Update Item

The Coastal position is open since the retirement of Barbara Seymour. We contacted the Governor's Office as to how to proceed on the term fulfillment for the position. Nancy Goss Duran said whomever we bring in will fulfill the one year remaining on Seymour's term and should be someone we would recommend for another four-year term, rather than just a short-term replacement.

We have been pursuing a couple of people who were recommended and McConnell reported that Mayor Lisa Phipps, of Rockaway, who also works in the Tillamook County Planning office has replied to McConnell and sent her Interest Form to the Governor's Office. McConnell has also been in phone contact with Curry County Commissioner Lucie LaBonte who has also expressed interest in

24 the position. McConnell has urged her to submit an Interest Form to the
25 Governor's Office.

26 McConnell and Chair Haagensen will follow up with interviews and will
27 then make recommendations to the Governor's Office as soon as possible so
28 they can make a decision before the Senate Confirmation Committee meets in
29 February.

30

31 **5) Agency Performance Measure Annual Report:** (Don Lewis)

32 **a. Staff briefed the Board on the 2007 Performance Measure Report**
33 **including customer surveys and any recommendations: *Information Item***

34 Don Lewis presented a draft of the final report to the Board for feedback
35 and recommendations. He summarized the details of surveys conducted by the
36 agency throughout the year to measure customer satisfaction, which showed
37 high grades in helpfulness and expertise, but relatively lower grades in timeliness
38 and availability of information. These are virtually unchanged from last year.

39 Macnab asked if we had included cities and counties as "customers".

40 Lewis noted that cities and counties are included in that customer base as
41 constituents, consumers and clients. McConnell said we do not have a
42 procedure in place to send a customer satisfaction form to our clients, but
43 perhaps we could consider sending one at the end of a contract.

44 Program 1 data measures the information we provided where it matters.

45 What we have deemed is that it matters where people live, where the
46 infrastructure is, the hazards in proximity to those areas, and where primary land
47 use challenges exist. Lewis outlined where we had completed mapping, where
48 we will be mapping next, and how that relates to Measures 6 and 7.

49 Lewis discussed the data compilation of all geologic information in the
50 state, which includes all geologic maps that have ever been produced, including
51 theses. This is a six-year program which is 89% complete by the measure, but is
52 almost totally complete in terms of getting the data together. McConnell pointed
53 out that we are absolutely on track with this, and told the Board how proud she is
54 of everyone involved in the project. This is the model that all other states are
55 looking toward to do the same thing in their own programs. There is not any
56 other state that is doing this.

57 Lewis said that one year ago we were a year behind on this project.

58 However, DAS and GIS program leaders voted to give us some financial support,
59 which allowed us to hire some student interns to help us with the time consuming
60 data entry work, and we are now six months ahead.

61 One of the results of this effort is that we will produce two new geologic
62 maps of Oregon. One will be the geologic history of Oregon, and one will be the
63 rock map. We are attempting to get a copy of the history map into every science
64 classroom in the state by next September.

65 McConnell noted that the important aspect to this is that the only existing
66 1:500,000 geologic map of Oregon is a USGS publication, from work done in the
67 1970's. This compilation will give researchers a digital source of geologic
68 information for the state. This is the most comprehensive digital geologic map

69 available in the United States in that we have landslide layers, fault line layers,
70 and others.

71 As an example of the utility of such a digital source, Lewis mentioned that
72 we now know the coordinates of every permitted site and rock source area in the
73 state. So ODOT is now coming to us to discover what the natural hazards are
74 from its rock pits. Lewis said that this also opens up the possibility of doing
75 studies with other agencies, such as DEQ, DHS, and Water Resources, for
76 example, to help them understand the naturally occurring elemental pollution,
77 such as arsenic, mercury, or radon.

78 Lewis discussed Measure 1, and showed the Board the earthquake and
79 landslide maps we have produced, and noted that we are fully booked for the
80 next two years to do more of these maps. McConnell pointed out that we are not
81 doing this model of map without lidar. Lewis showed the Board the areas in
82 which we are gathering partners in the Oregon Lidar Consortium to collect lidar
83 data. He noted that we will have funding for work along the Wilson River near
84 Highway 6, but will not have the staff to do the work for two years. This is why
85 we ask for staff and why we are frustrated when we don't get it.

86 Givens asked how much outreach we have done. Lewis said we are
87 doing outreach, but at this time our effort is neither systematic nor
88 comprehensive. We are trying to be as efficient and effective as we can with the
89 limited staff we have. We don't have an advertising group to do outreach.

90 Tsunami inundation mapping is continuing. The state does not provide
91 General Funds to do this mapping, so the agency must seek other resources to
92 do the mapping. Lidar data is vital to completing these maps accurately. We are
93 trying to get all this work done by 2012 and are lining up resources to fund the
94 modeling effort. The competition for federal funding is increasing and the funding
95 itself is shrinking.

96 McConnell noted the challenge of not getting state funding for this issue.
97 There are two unfunded mandates on the books requiring our agency to do
98 something about tsunami information. One is to work with OEM to develop
99 information for hotels and commercial enterprises so they have evacuation
100 information, but you can't get the evacuation information without the mapping
101 behind it. Lewis noted that we've done 12 studies, but have produced
102 evacuation brochures for 34 communities. We've had to produce these
103 brochures without the science that underlies it, because the communities insist
104 that we must have them. So we are going to redo the entire coast. We just
105 finished Cannon Beach and are now doing Bandon. We have been told by our
106 technical advisors that these are the most sophisticated tsunami inundation maps
107 in the world.

108 Our most challenging Performance Measure is Measure 4, Hazard
109 Awareness, in that we must come up with some way to credibly and meaningfully
110 measure this in terms of outcomes. We've discussed what we measure, how
111 much people talk about it, how many articles are in the Oregonian and what the
112 public response to this information is. However, we are not sure how to measure
113 if what we are doing is effective. We are not sure we should keep the measure in

114 its current format or change it, or have it mimic Benchmark 67a or if this should
115 even be performance measure for the agency.

116 McConnell pointed out that this is the measure we've had the most
117 problem with, and will have a conversation with the Ways & Means committee
118 about this. However, this is an important measure because we must help the
119 people in the state make good decisions about where they live, where they build,
120 and where they recreate.

121 Vars believes that we should not discard the measure. He said the
122 funding we have received has produced results, and it is important to show the
123 legislature that the investment that the state has made into the agency is paying
124 off.

125 Measure 5 is a Program 2 measure that is not actually controlled by the
126 agency. This measures the total number of mined acres at closed sites that have
127 been reclaimed or returned to a secondary beneficial use. We have no ability to
128 increase or decrease the numbers; we are just tracking the them. Haagensen
129 noted that because the numbers are totally outside of our control, it is an odd
130 performance measure because the target has no bearing on agency activity.

131 McConnell said we are working on ways to improve the measure. The
132 initial idea was to show that we are not being lax in when a mine is closed and is
133 reclaimed. Haagensen said that is what should be the performance measure.

134 Measure 8 is in regard to the number of site inspections. Lynch said he
135 recently realized that they were no longer counting inspections, because the
136 reporting process changed. They formerly did not count an inspection until the
137 report came in, and a lot of the sites don't need inspection reports now, but they
138 are actually doing more inspections, but counting less of them. So now they will
139 be doing a monthly site inspection count, regardless of reporting requirements.

140 Macnab asked who established the targets for the next biennium. Lewis
141 said the Progress Board and the Legislative Fiscal Office are responsible. At that
142 point, Dawn Farr from the Legislative Fiscal Office stepped forward to discuss
143 this issue. She stated that part of the budget process should have included
144 review of targets for 2010-11. Proposed targets for the 2009-11 biennium will be
145 presented to the Ways & Means Committee. We will have the opportunity to
146 make adjustments to the measures at this time and to propose targets.

147 It is the legislature that decides what the KPM are and what the targets
148 are. The targets should start at the Essential Budget level based on what you
149 can sustain with that level, with modifications based on any implications that our
150 Policy Option Packages may have on the targets. She noted that there are many
151 KPM's in other agencies in the state that the agency has no control over, but they
152 are KPM's because the legislature can use them to get critical information. They
153 are trying to distinguish these measures and call them "Reporting Measures" so
154 the legislature can't take any agency accountable for the outcomes, but rather let
155 them know the role you play in the KPM. McConnell said that there has been an
156 evolution of the KPM's over the last several years, and that they are much more
157 useful now.

158

159 **6) State of the Agency:** (Vicki S. McConnell, State Geologist)

160 **a. Agency activities update: Update Item**
161 McConnell briefly discussed staffing issues. We hired two GIS
162 employees, Sarah Robinson and Mathew Tilman, to help with the publication
163 team, the mapping team, and with the FEMA floodmapping digitalization work.
164 We are recruiting the LC Fiscal Analyst 1 to help with the Lidar projects. We are
165 also recruiting for the Fiscal Officer, the lead Business Office position. The
166 application window closes in a couple of weeks.

167 **b. Environmental Justice – SB 420 (2007) - Information Item**
168 We are named as a member of a group of agencies to participate in a task force
169 to address issues of environmental injustice in Oregon government. Lynch is the
170 lead on this. There will be an annual report to the legislature.

171 **c. 2009-2015 Strategic Plan: Update Item**
172 The Plan is not yet finished, but is very close to completion. It has been
173 vetted by staff at our annual meeting. We've elicited opportunities for feedback
174 at our workshops and by letters to stakeholders. We will do a final clean up and
175 have it ready to go before the legislative session starts.

176 James Roddey briefed the Board on the Capitol Window display in Salem,
177 outlining the contents of each of the windows. He said the windows will be
178 installed in the first week of January and the opening will be sometime in the
179 following weeks. The windows will be up for the next two years. Macnab
180 suggested having our next meeting in Salem to allow the Board to go see the
181 windows.

182

183 **7) Break**

184

185 **8) 2009-2011 Governor's Recommended Budget:** (Vicki S. McConnell, State
186 Geologist)

187 **a. Budget update since last Board meeting– Information Item**

188 ABR appeals documentation was submitted and we received
189 recommendations from our DAS BAM analyst. Since then the Governor's
190 Recommended Budget has been released. Lewis briefed the Board on the
191 highlights of the GRB. He detailed the different funding sources, challenges we
192 face with staffing, and the importance of the lidar projects to the state and the
193 agency. Lewis noted that the probability of success for us keeps going up
194 because our existing and targeted federal partners are recognizing the quality of
195 the work we are doing, and the utility of such work.

196 Now that the GRB is done, we move on to the Legislature. The first thing
197 they have asked is that all agencies develop 5%, 10%, 15%, and 20% General
198 Fund cut scenarios. Lewis outlined some difficult strategies of fund shifting on
199 positions that would preserve the positions, but take them out of the General
200 Fund budget. But if we don't fund shift, we will lose the positions which will make
201 it difficult to keep the agency viable.

202 Vars noted that the agency should look at strategic alternatives, to look for
203 some way to depict the agency's "surge" of relevance, of what good science can
204 produce for the state. He said that we have a strategic selling point with lidar and
205 that other large state agencies are important beneficiaries of our products, and

206 we should prepare to react strategically as an ally to larger agencies rather than
207 as competitors.

208 **b. Budget process from LFO perspective: Dawn Farr, LFO budget analyst**
209 **for DOGAMI (Item b constitutes a training activity for the Governing**
210 **Board.)**

211 Dawn Farr noted that the first obligation of the Legislature is going to be to
212 balance the 2007-2009 state budget due to constitutional requirement. The
213 question for the 2009-11 budget will be, what is the core work for the agency,
214 and as the budget shrinks, what can the agency realistically deliver on? We
215 should be prepared to answer that question when we come before the
216 Legislature. McConnell added a comment that the big picture discussion in the
217 Legislature could possibly include the question of what exactly state government
218 services should include. Farr mentioned that there are other levers available to
219 help balance the budget other than agency cuts. McConnell pointed out that the
220 increasing frequency of these budget crises makes it very challenging to conduct
221 day to day business.

222

223 **9) Regulatory Issues:** (Gary Lynch, Mineral Lands Regulation and
224 Reclamation Program)

225 **a. Status of rulemaking for ORS Chapter 517 (Mining and Mining Claims)**
226 **and ORS Chapter 520 (Conservation of Oil and Gas) – Update Item**

227 Lynch said there are 3 or 4 questions that need to be resolved in the draft of
228 ORS 517, but it should be done before the end of January. The next step is the
229 fiscal impact report.

230 ORS 520 is lagging. There is not much to regulate at this point.

231 **b. Summary of operational and enforcement activities for surface**
232 **mining and oil and gas and geothermal regulatory programs – Update Item**

233 Dutch Gold was issued a suspension order and new bond requirements
234 as a response to violations that occurred at the site. They filed for a contested
235 case hearing, but have since called and said they will not go forward with the
236 hearing.

237 We are working with DEQ on 401 Certification, the clean water
238 certification. Whenever we recommend there be a connection to state
239 waterways for fish channels, etc., the 401 Certification can delay the permitting
240 process by a full year. This was not the case in the past, so Lynch is meeting
241 with DEQ to propose a possibility of changing the process.

242 Staff has been in the field doing lots of inspections. Geothermal activity
243 seems to be decreasing.

244 **c. Status of DOGAMI Legislative Concepts for 75th Legislative**
245 **Assembly – Update Item**

246 A public meeting in Columbia County was held to inform them about the
247 legislative concept and it went well. The question is how to take the County
248 operating permits and transition them into our program. Haagensen said we
249 need to talk to Knudsen and determine if we should word the rules to be sure the
250 permittees completely comply with our statutes and rules. If there are some parts

251 of the rules they will not need to comply with because we have a provision that
252 you want to carry over, it should be explicitly stated in the statutes and rules.

253 We could not get receipts authority included in the bill, but will come
254 forward with an amendment to get it for the whole agency. Lynch said there may
255 be another pathway to use. In SB 149, there was an unintended consequence
256 saying basically that ODOT would need to get a permit from us everytime they
257 removed material from the right of way and used it in the right of way. Our
258 testimony was clear that we were going to exempt ODOT from that, but it came
259 back with that language. Industry has volunteered to submit a bill to correct this.
260 So this remains an avenue to consider at this time.

261

262 **10) Setting of time and place of next Board meeting:** (Board)

263 The next meeting will be in Salem, on March 6, 2009 at 8:30 am in the Oregon
264 State Library.

265

266 **11) Additional Public Comment:**

267 There was no public comment.

268

269 **12) Adjourn**

270 Meeting was adjourned at 12:20 pm.

271

272 **Action List: (in no order of priority)**

1. Set up a lidar presentation for Umatilla County. – Ian Madin will follow up.
2. Haagensen and McConnell will make recommendations to the Governor's office for a new Board member. – In progress
3. Add receipts authority into Geothermal Legislative Concept after we receive it from Legislative Council. – In progress.
4. Draft geothermal unitization schematic to Knudsen, then present to Board. – In Progress.

APPROVED:

Don Haagensen, Chair

Steve Macnab, Vice Chair

Larry Givens

Charles Vars